

JAN 18 2013

S.B. NO. 561

A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that under article VII,
2 section 12, of the Hawaii State Constitution, the legislature
3 has the power to authorize the issuance of special purpose
4 revenue bonds to assist specific types of special purpose
5 entities when it is in the public interest and for the public
6 health, safety, and general welfare.

7 The legislature further finds that while the legislature
8 spends an increasing amount of time during the legislative
9 session to pass legislation authorizing the issuance of special
10 purpose revenue bonds, it is unclear how many special purpose
11 revenue bonds are ultimately issued by the department of budget
12 and finance and how many special purpose entities actually use
13 the proceeds of the bonds as described in the authorizing
14 legislation.

15 The purpose of this Act is to require the legislative
16 reference bureau to conduct a study to examine the special
17 purpose revenue bond process and make recommendations on what



1 changes are required, if any, to ensure that the special purpose
2 revenue bond process is achieving its intended purpose.

3 SECTION 2. (a) The legislature reference bureau shall
4 conduct a study to examine the special purpose revenue bond
5 process. The study shall include an examination of:

6 (1) All special purpose revenue bonds authorized by the
7 legislature during the last five years;

8 (2) How many special purpose revenue bonds were issued by
9 the director of finance during the last five years;

10 (3) How many special purpose revenue bonds lapsed during
11 the last five years and the reason why the special
12 purpose entities did not seek issuance of the special
13 purpose revenue bonds;

14 (4) How many special purpose entities used the special
15 purpose revenue bonds issued for the purposes
16 described in the authorizing legislation during the
17 last five years;

18 (5) How many special purpose entities did not qualify for
19 special purpose revenue bonds following the
20 authorization for issuance by the legislature and the
21 reason why the special purpose entities did not
22 qualify; and



1 (6) The potential positive and negative impacts of
 2 expanding or reducing the types of special purpose
 3 entities that may be issued special purpose revenue
 4 bonds pursuant to article VII, section 12, of the
 5 Hawaii State Constitution.

6 (b) The legislative reference bureau shall make
 7 recommendations on what changes are required, if any, to ensure
 8 that the special purpose revenue bond process is achieving its
 9 intended purpose.

10 (c) In conducting the study, the legislative reference
 11 bureau may consult with the department of budget and finance,
 12 special purpose entities, and any other governmental or non-
 13 governmental entity that may be of assistance.

14 (d) The legislative reference bureau shall submit a report
 15 to the legislature, including any proposed legislation, no later
 16 than twenty days prior the convening of the regular session of
 17 2014.

18 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

Amil y lye

JM
Michelle Sidani
Anna Mucadok



S.B. NO. 561

Report Title:

Special Purpose Revenue Bonds; Legislative Reference Bureau

Description:

Requires the legislative reference bureau to conduct a study on special purpose revenue bonds and report to the legislature.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

